

## AUDITOR GENERAL (50)

### *AGENCY PLAN: STATEMENT OF PURPOSE, GOALS AND BUDGET SUMMARY*

#### STATEMENT OF PURPOSE:

The mission of the Office of the Auditor General (OAG) is to act as an independent, full-service appraisal function to examine and evaluate the City's activities in order to improve the accountability for public funds and to improve the operations of City government. We promote the economy, efficiency, and effectiveness of City government, and protect against fraud, waste, and abuse by conducting independent audits, investigations, and evaluations; by adhering to the professional standards of the auditing profession; and by promoting an atmosphere of mutual trust, honesty, and integrity among OAG staff and the people we serve.

#### AGENCY GOALS:

1. Improve the auditing and consulting capabilities of the OAG staff.
2. Improve the quality and timeliness of audit reports.
3. Complete a minimum of twenty-five audits, in addition to, investigations, or special projects.
4. Identify opportunities for expense savings and increased revenues

#### AGENCY FINANCIAL SUMMARY:

2007-08 <u>Requested</u>		2006-07 <u>Budget</u>	2007-08 <u>Recommended</u>	Increase (Decrease)
\$ 3,499,535	City Appropriations	\$ 3,002,162	\$ 3,090,670	\$ 88,508
\$ 3,499,535	Total Appropriations	\$ 3,002,162	\$ 3,090,670	\$ 88,508
\$ -	City Revenues	\$ 250,000	\$ -	\$ (250,000)
\$ -	Total Revenues	\$ 250,000	\$ -	\$ (250,000)
\$ 3,499,535	NET TAX COST:	\$ 2,752,162	\$ <u>3,090,670</u>	\$ 338,508

#### AGENCY EMPLOYEE STATISTICS:

2007-08 <u>Requested</u>		2006-07 <u>Budget</u>	04-01-07 <u>Actual</u>	2007-08 <u>Recommended</u>	Increase (Decrease)
<u>23</u>	City Positions	<u>23</u>	<u>16</u>	<u>23</u>	<u>0</u>
23	Total Positions	23	16	23	0

#### ACTIVITIES IN THIS AGENCY:

	2006-07 <u>Budget</u>	2007-08 <u>Recommended</u>	Increase (Decrease)
Auditing Operations	\$ 3,002,162	\$ 3,090,670	\$ 88,508
Total Appropriations	\$ 3,002,162	\$ 3,090,670	\$ 88,508

## **AUDITOR GENERAL (50)**

### ***AUDITING OPERATIONS ACTIVITY INFORMATION***

#### **ACTIVITY DESCRIPTION: AUDITING OPERATIONS**

The OAG performs audits of each City agency and prepares written reports that convey the resultant audit findings and recommendations to the City Council, the Mayor, and the management of each agency.

The OAG also performs special projects, risk management evaluations and other work, as requested by City Council, as initiated internally, or as required by City Code. Many of these projects result in formal reports or other communications to City Council. The Office also analyzes the Mayor's proposed City budget for City Council each fiscal year.

The annual financial audits of the City and its Federal financial assistance programs are performed by outside auditors hired by the Office of the Auditor General.

#### **GOALS:**

1. Improve the auditing and consulting capabilities of the OAG staff.
2. Improve the quality and timeliness of audit reports.
3. Complete a minimum of twenty-five audits, in addition to, investigations, or special projects.
4. Identify opportunities for expense savings and increased revenues.

#### **MAJOR INITIATIVES FOR FY 2006-07:**

The Office of the Auditor General's most important initiative planned for the fiscal year ending June 30, 2007, is to aggressively work to meet our Charter mandate of auditing every City department biennially. This mandate is increasingly important during times of increased risk due to limited resources, department downsizing, and reorganization. Additional OAG initiatives include the completion of a comprehensive review of the City's risk management process, and the implementation of electronic audit working papers to gain greater audit efficiency within our department.

#### **PLANNING FOR THE FUTURE FOR FY 2007-2008, FY 2008-09 and BEYOND:**

The Office of the Auditor General will continue to attract, train, supervise and motivate auditors, in order to meet our Charter mandate and the goals established for the year.

## AUDITOR GENERAL (50)

### *AUDITING OPERATIONS MEASURES AND TARGETS*

<b>Types of Performance Measures:</b> List of Measures	<b>2004-05 Actual</b>	<b>2005-06 Actual</b>	<b>2006-07 Projection</b>	<b>2007-08 Target</b>
<b>Outputs: Units of Activity directed toward Goals.</b>				
Reports on Audits of Financial Transactions	6	16	19	21
Other Reports Issued	17	17	15	6
Claims hearings	82	81	81	50
PLD Contract Reviews	71	9	2	0
Risk Management Evaluations	0	3	6	2
<b>Activity Cost</b>	<b>\$2,673,021</b>	<b>\$2,083,803</b>	<b>\$3,002,162</b>	<b>\$3,090,670</b>

**CITY OF DETROIT**  
**Auditor General**  
**Financial Detail by Appropriation and Organization**

<b>Administration &amp; General Office</b>	<b>2006-07</b>		<b>2007-08</b>		<b>2007-08</b>	
	<b>Redbook</b>		<b>Dept Final</b>		<b>Mayor's</b>	
<b>Auditing Operations</b>	<b>FTE</b>	<b>AMOUNT</b>	<b>FTE</b>	<b>AMOUNT</b>	<b>Budget Rec</b>	<b>FTE</b>
						<b>AMOUNT</b>
<i>APPROPRIATION</i>						
<i>ORGANIZATION</i>						
00261 - Auditing Operations						
500010 - Administration & General Office	5	\$832,455	5	\$927,591	5	\$720,037
500020 - Auditing-Operations	16	\$2,049,074	16	\$2,355,483	16	\$2,239,579
<b>APPROPRIATION TOTAL</b>	<b>21</b>	<b>\$2,881,529</b>	<b>21</b>	<b>\$3,283,074</b>	<b>21</b>	<b>\$2,959,616</b>
11195 - Risk Management Council						
500095 - Risk Management Council	2	\$120,633	2	\$216,461	2	\$131,054
<b>APPROPRIATION TOTAL</b>	<b>2</b>	<b>\$120,633</b>	<b>2</b>	<b>\$216,461</b>	<b>2</b>	<b>\$131,054</b>
<b>ACTIVITY TOTAL</b>	<b>23</b>	<b>\$3,002,162</b>	<b>23</b>	<b>\$3,499,535</b>	<b>23</b>	<b>\$3,090,670</b>

**CITY OF DETROIT**  
**Budget Development for FY 2007-2008**  
**Appropriations - Summary Objects**

	<b>2006-07 Redbook</b>	<b>2007-08 Dept Final Request</b>	<b>2007-08 Mayor's Budget Rec</b>
<b>AC0550 - Auditing Operations</b>			
<i>A50000 - Auditor General</i>			
SALWAGESL - Salary & Wages	1,353,577	1,478,310	1,316,067
EMPBENESL - Employee Benefi	955,185	1,045,294	864,170
PROFSVCSL - Professional/Cont	526,000	777,000	722,000
OPERSUPSL - Operating Supplie	14,637	27,555	26,453
OPERSVCSL - Operating Service	129,070	127,301	127,505
CAPEQUPSL - Capital Equipmen	0	9,600	0
OTHEXPSSL - Other Expenses	19,896	34,475	34,475
FIXEDCHGSL - Fixed Charges	3,797	0	0
<i>A50000 - Auditor General</i>	<i>3,002,162</i>	<i>3,499,535</i>	<i>3,090,670</i>
<b>AC0550 - Auditing Operations</b>	<b>3,002,162</b>	<b>3,499,535</b>	<b>3,090,670</b>
<b>Grand Total</b>	<b>3,002,162</b>	<b>3,499,535</b>	<b>3,090,670</b>

**CITY OF DETROIT**  
**Budget Development for FY 2007-2008**  
**Appropriation Summary - Revenues**

	2005-06 Actuals	2006-07 Redbook	2007-08 Dept Final Request	2007-08 Mayor's Budget Rec	Variance
<b>A50000 - Auditor General</b>					
<i>00261 - Auditing Operations</i>					
449125 - Personal Services	139,363	250,000	0	0	(250,000)
474100 - Miscellaneous Receipts	618	0	0	0	0
<i>00261 - Auditing Operations</i>	<i>139,981</i>	<i>250,000</i>	<i>0</i>	<i>0</i>	<i>(250,000)</i>
<b>A50000 - Auditor General</b>	<b>139,981</b>	<b>250,000</b>	<b>0</b>	<b>0</b>	<b>(250,000)</b>
<b>Grand Total</b>	<b>139,981</b>	<b>250,000</b>	<b>0</b>	<b>0</b>	<b>(250,000)</b>

**CITY OF DETROIT**  
**MAYOR'S 2007/2008 RECOMMENDED BUDGET**

**Auditor General**

<b>Appropriation</b>	<b>REDBOOK FY 2006</b>	<b>DEPT REQUEST</b>	<b>MAYORS FY 2007</b>
<b>Organization</b>	<b>2007 FTE</b>	<b>FY 2007 2008</b>	<b>2008 FTE</b>
<b>Classification</b>			
<b>00261 - Auditing Operations</b>			
<b>500010 - Administration &amp; General Office</b>			
Auditor General	1	1	1
Deputy Auditor General	1	1	1
Chief Auditor	1	1	1
Executive Secretary III	1	1	1
Office Assistant III	1	1	1
<b>Total Administration &amp; General Office</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>500020 - Auditing-Operations</b>			
Manager II - Auditor General	2	2	2
Senior Auditor	6	6	6
Auditor	8	8	8
<b>Total Auditing-Operations</b>	<b>16</b>	<b>16</b>	<b>16</b>
<b>Total Auditing Operations</b>	<b>21</b>	<b>21</b>	<b>21</b>
<b>11195 - Risk Management Council</b>			
<b>500095 - Risk Management Council</b>			
Auditor	2	2	2
<b>Total Risk Management Council</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Total Risk Management Council</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Agency Total</b>	<b>23</b>	<b>23</b>	<b>23</b>